

WC 05-209

FCC/MELLON

JUN 07 2005

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE

Approved by OMB  
3060-0589  
Page 1 of 1

(1) LOCKBOX #  358145		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Lynch Telephone Corporation XI		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) 895.00	
(4) STREET ADDRESS LINE NO. 1 401 Theodore Fremd Avenue		STAMP AND RETURN	
(5) STREET ADDRESS LINE NO. 2			
(6) CITY Rye			
(9) DAYTIME TELEPHONE NUMBER (include area code) (914) 921-8821		(7) STATE NY	
		(8) ZIP CODE 10580	
		if not in U.S.A.)	
		ID	
(11) PAYER (FRN) 0012931796		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Lynch Telephone Corporation XI			
(14) STREET ADDRESS LINE NO. 1 401 Theodore Fremd Avenue			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY Rye		(17) STATE NY	
(19) DAYTIME TELEPHONE NUMBER (include area code) (914) 921-8821		(18) ZIP CODE 10580	
		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0012931796		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID		(24A) PAYMENT TYPE CODE CUT	
(26A) FEE DUE FOR (PTC) 895.00		(25A) QUANTITY 1	
		(27A) TOTAL FEE 895.00	
(28A) FCC CODE 1		FCC USE ONLY	
		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID		(24B) PAYMENT TYPE CODE	
(26B) FEE DUE FOR (PTC)		(25B) QUANTITY	
		FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE _____		DATE _____	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.			
SIGNATURE _____		DATE _____	

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

Application of

Shareholders of California-Oregon  
Telecommunications Company

Transferors,

and

Lynch Telephone Corporation XI

Transferee,

For Consent to Transfer Control of California-  
Oregon Telecommunications Company and  
Subsidiaries that Provide Interstate Interexchange  
Telecommunications Service in the State of  
California

WC Docket No. \_\_\_\_\_

**Application for Consent to Transfer Control**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act"), 47 U.S.C. § 214, and Section 63.04 of the Commission's rules, 47 C.F.R. § 63.04, the Shareholders of California-Oregon Telecommunications Company ("COTC" or "Transferor"), hereby apply for the Commission's approval to transfer control of (1) California-Oregon Telecommunications Company, (2) Cal-Ore Telephone Co., and (3) Cal-Ore Long Distance, Inc. to Lynch Telephone Corporation XI ("Lynch XI" or "Transferee"), a holding company subsidiary of Brighton Communications Corporation, which is wholly-owned by Lynch Interactive Corporation ("Lynch"), a telecommunications holding company.

COTC is the sole owner of Cal-Ore Telephone Co. ("Cal-Ore") and Cal-Ore Long Distance, Inc. ("COLD"). Cal-Ore is a rural incumbent local exchange carrier ("ILEC") serving approximately 2,600 access lines in Northern California along the California-Oregon border. COTC's other businesses include an Internet service provider, a CLEC that is planning to provide services in the surrounding area, and interests in certain cellular partnerships. Upon completion of the proposed transfer of control, Cal-Ore and COLD will remain wholly-owned subsidiaries of COTC. The proposed transactions will cause no interruption in service to customers. The planned transfer of control will have no known immediate or substantial adverse effect on the service provided to customers in California. No existing service will be discontinued, reduced or impaired as a result of the sale. Accordingly, on May 5, 2005, the California Public Utilities Commission found that it was in the public interest to grant Lynch's application to acquire indirect control of Cal-Ore and COTC.

In accordance with the requirements of Section 63.04, the Applicants provide the following information:

**(1) Name, address and telephone number of each applicant.**

**Transferor:**

California-Oregon Telecommunications Company  
P.O. Box 847  
Dorris, California 96023

**Transferee:**

Lynch Telephone Corporation XI  
401 Theodore Fremd Avenue  
Rye, New York 10580

**(2) State under which each applicant is organized.**

California-Oregon Telecommunications Company, Cal-Ore Telephone Co., and Cal-Ore Long Distance, Inc. are corporations organized under the laws of the State of California. Lynch Telephone Corporation XI is organized under the laws of the State of Delaware.

**(3) Legal counsel to whom correspondence concerning the application is to be addressed.**

**For Transferors:**

Joseph G. DeAngelis, Esq.  
Downey Brand LLP  
555 Capital Mall, 10<sup>th</sup> Floor  
Sacramento, California 95814  
Telephone: (916) 444-1000

**For Transferee:**

James H. Barker, Esq.  
Latham & Watkins LLP  
555 Eleventh Street, NW  
Suite 1000  
Washington, DC 20002  
Telephone: (202) 637-2200

**(4) Name, Address, Citizenship and Percentage Ownership of Entities that owns at least 10 percent of the equity of the applicant.**

**For Transferors**

Cal-Ore and COLD are wholly-owned subsidiaries of COTC. COTC is owned by several trusts controlled by Susan M. Graham, Elzy Joe Graham, Robert W. Edgar, Marion A. Edgar, Brian H. Edgar, Ava L Edgar, Scott N. Edgar, and Tanya L. Edgar.

**For Transferee**

Transferee Lynch XI is a holding company that was established to acquire COTC. Lynch XI is a wholly-owned subsidiary of Brighton Communications Corporation ("Brighton"). Brighton is wholly-owned by Lynch Interactive Corporation ("Lynch Interactive"), a telecommunications holding company. Mario J. Gabelli, a U.S. citizen, is the largest shareholder of Lynch Interactive, holding approximately 24% of its outstanding common stock. MJG-IV Limited Partnership, a limited partnership of which Mr. Gabelli is the general partner, holds approximately 22.5% of Lynch Interactive. No other person or entity holds, or will hold at closing, a 10% or greater interest in Lynch Interactive.

Lynch Interactive, Brighton, and Lynch XI are all organized under the laws of the state of Delaware. The principal place of business for both Lynch Interactive and Brighton is 401 Theodore Gremd Avenue, Rye, New York, 10580. The principal place of business for Gabelli Group Capital Partners, Inc. is 140 Greenwich Avenue, Greenwich, CT, 06838.

**(5) Certification pursuant to sections 1.2001 through 1.2003 that no party to the application is subject to a denial of Federal benefits.**

By their signatures below, the Transferor and Transferee certify that no party to the application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

**(6) Description of the transaction.**

On March 22, 2004, Lynch XI, Lynch Interactive, Brighton, COTC, and the Shareholders of COTC entered into a Stock Purchase Agreement. Pursuant to the Stock Purchase Agreement, COTC and COTC Shareholders will transfer to Lynch XI all of the

issued and outstanding shares of common stock of COTC, which wholly owns Cal-Ore and COLD.

**(7) Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area.**

COTC, through its subsidiaries Cal-Ore and COLD, provides local exchange service, exchange access services, and interexchange services in the State of California. The region served by Cal-Ore consists of four exchanges located in rural areas of Siskiyou and Modoc Counties. Cal-Ore and COLD provide local exchange service and exchange access service in the exchanges listed in Attachment B.

Transferee is not currently a telecommunications carrier. Lynch XI's parent companies Lynch Interactive and Brighton own fourteen rural ILECs in nine states outside the state of California.

**(8) Statement on how the application fits into one or more of the presumptive streamlined categories or why it is otherwise appropriate for streamlined treatment.**

The application is eligible for presumptive streamlined treatment under Section 63.03(b)(2)(iii) of the Commission's rules. Pursuant to 63.03(b)(2), an application for transfer of control is presumptively entitled to streamlined treatment if it "would result in a transferee having a market share in the interstate, interexchange market of less than 10 percent, and the transferee would provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction." Further, 63.03(b)(2)(iii) provides that where the applicants are incumbent independent local exchange carriers that have, in combination, fewer than two (2) percent of the nation's subscriber lines installed

in the aggregate nationwide, and no overlapping or adjacent service areas, the application will be presumptively streamlined.

As described above, the Transferor is an independent rural ILEC operating in four exchanges in two counties in Northern California. The Transferee is not currently a telecommunications provider. The Transferee's parent companies, Lynch Interactive and Brighton, own fourteen independent rural ILECs in nine states outside of California. Together, the applicants have fewer than two percent of the nation's subscriber lines and they have no overlapping or adjacent service areas. Upon grant of the application, the Transferee would have a market share in the interstate, interexchange market of less than 10 percent. As a result of the transaction there will be no increase in market concentration in the California local exchange or long-distance markets, and thus the transaction raises no public interest concerns.

This application should be given streamlined treatment because it involves a simple transfer of control to a company that does not provide telecommunications services in the State of California. As discussed below, the Transferee's parent company, Lynch Interactive, is a telecommunications company and it is committed to the success of the California telecommunications businesses that it seeks to acquire. The Transferee will continue providing service with all of the property, rights, privileges, powers and franchises that Cal-Ore held in California to provide local exchange and exchange access service prior to the transfer. It also will continue providing the same interexchange services that COLD provides. No customer will lose service as a result of the transaction. Thus, the transaction raises no material competitive or public interest concerns and this application should be afforded streamlined treatment.

**(9) Identification of all other Commission applications related to the same transaction.**

The Transferee will file the required notice of transfer of customer base pursuant to section 64.1120(e) of the Commission's rules. In addition, COTC holds several Title III licenses, and separately is seeking approval for transfer of those licenses to the Transferee pursuant to Section 310 of the Act.

**(10) Statement whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure.**

The parties are not requesting special consideration of the application.

**(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction.**

No waivers requests are being filed. The transaction includes the entire study area served by Cal-Ore and COLD and, therefore, no study area waiver is required.

**(12) A statement showing how grant of the application will serve the public interest, convenience, and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets.**

The proposed transaction serves the public interest because it will provide benefits to the customers of Cal-Ore and COLD without any countervailing public interest harms.

The Transferee is affiliated with a telecommunications holding company that had \$87.8 million of revenues in 2004 and that owns fourteen rural ILECs in Iowa, Kansas, Michigan, New Hampshire, New Mexico, New York, North Dakota, Utah, and Wisconsin with total access lines (including DSL) that totaled 54,901 at the end of 2004.

Lynch Interactive has a record of successful investments in the rural telecommunications sector and has enabled the companies in its portfolio to access efficient sources of capital over time. Lynch Interactive is committed to the success of the local and long-distance businesses



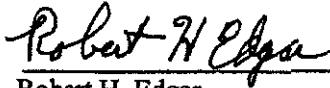
that it proposes to acquire from COTC.

This is a transfer of control under which the Transferee will continue to provide local exchange and domestic interstate interexchange services after the closing of the transaction without reduction, impairment, or discontinuance of service to any customer. The planned transfer of control will have no known immediate or substantial adverse effect on the service provided to customers in these exchanges in California. There will be no reduction in the number of competitors or the level of competition in California as a result of the transfer of control to the Transferee. Furthermore, the Transferee and its affiliates do not currently provide local or long-distance telephone service in the State of California, and thus the transaction poses no competitive concerns.

Payment in the amount of \$895.00, along with FCC Form 159, was transmitted to the Federal Communications Commission, Wireline Competition Bureau CPD 214 Appls., P.O. Box 358145, Pittsburgh, PA 15251-5145 for delivery this date.

An original and 5 copies of this Application are enclosed for filing. To acknowledge receipt, please stamp and return one copy of this Application enclosed for that purpose. Please contact the undersigned with any inquiries concerning this Application.

Respectfully submitted,



Robert H. Edgar  
President  
California-Oregon Telecommunications  
Company  
P.O. Box 847  
Dorris, California 96023

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Robert E. Dolan  
President  
Lynch Telephone Corporation XI  
401 Theodore Fremd Avenue  
Rye, New York 10580

Joseph G. DeAngelis, Esq.  
DOWNEY BRAND LLP  
555 Capital Mall, 10<sup>th</sup> Floor  
Sacramento, California 95814

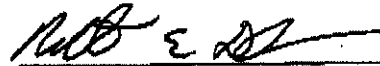
Attorneys for California-Oregon  
Telecommunications Company

James H. Barker  
Nia C. Mathis  
LATHAM & WATKINS, LLP  
555 Eleventh Street, N.W., Suite 1000  
Washington, D.C. 20004  
(202) 637-2200

Attorneys for Lynch Telephone Corporation  
XI

Dated: June 7, 2005

Respectfully submitted,



Robert E. Dolan  
President  
Lynch Telephone Corporation XI  
401 Theodore Fremd Avenue  
Rye, New York 10580

Robert H. Edgar  
President  
California-Oregon Telecommunications  
Company  
P.O. Box 847  
Dorris, California 96023

Joseph G. DeAngelis, Esq.  
DOWNEY BRAND LLP  
555 Capital Mall, 10<sup>th</sup> Floor  
Sacramento, California 95814

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Nia C. Mathis  
LATHAM & WATKINS, LLP  
555 Eleventh Street, N.W., Suite 1000  
Washington, D.C. 20004  
(202) 637-2200

Attorneys for Lynch Telephone Corporation  
XI

Dated: June 7, 2005